

country strong by helping to save lives. Policemen and firefighters and the people who wear our Nation's uniform are reminding us what it means to sacrifice for something greater than ourselves. Once again, the children of America believe in heroes, because they see them every day.

In these challenging times, the world has seen the resolve and the courage of America. And I've been privileged to see the compassion and the character of the American people. All the tests of the last 3 years have come to the right nation. We're a strong country, and we use the strength to defend the peace. We're an optimistic country, confident in ourselves and in ideals bigger than ourselves. Abroad, we seek to lift whole nations by spreading freedom. At home, we seek to lift up lives by spreading opportunity to every corner of America. This is the work that history has set before us. We welcome it. And we know that for our country, the best days lie ahead.

God bless. Thanks for coming. Glad you all are here. Thank you.

NOTE: The President spoke at 12:17 p.m. at the Hyatt Regency Hotel. In his remarks, he referred to Gov. Robert L. Ehrlich, Jr., of Maryland and his wife, Kendel; Lt. Gov. Michael Steele of Maryland and his wife, Andrea; Ken Mehlman, campaign manager, Mercer Reynolds, national finance chairman, and Richard E. Hug, Maryland State finance cochairman, Bush-Cheney '04, Inc.; and Sheldon B. Kamins, member, board of directors, Republican Jewish Coalition.

Remarks in a Discussion With Employers and Employees at the Home Depot in Halethorpe, Maryland

December 5, 2003

The President. Thank you all. I left my credit card at home. [Laughter] Thanks for having me. I'm honored to be here at a great company. I really appreciate the spirit of the company. I appreciate the fact that this company cares about the people who work here. And that's really what we're here to talk about, is people working and realizing their dream. I want people working in the country.

I want you to know, I'm an optimistic guy for a lot of reasons. I've seen what we've been through. I want to remind you what this country has been through in order to get to where we are today.

First, we were in recession. You know that better than me, what that means. It means fewer people coming in to buy things, as far as you're concerned. And the recession started in 2001, early 2001. We started to come out of the recession a little bit; you probably felt it around the summer of 2001, maybe fall of 2001. And then the enemy hit us, and that hurt.

Again, those of you on the frontlines of the retail business know what I'm talking about. The cash registers weren't ringing quite as much, and people weren't coming through the aisles quite as much. And it hurt us. It hurt the country a lot. It kind of changed our attitude, and it should change your attitude. We should never forget the lessons of September the 11th, 2001. I have an obligation; the Congressmen who are here have an obligation. I want to thank Roscoe Bartlett and Dutch Ruppersberger and Ben Cardin, whose district this is. We have an obligation to do everything we can to keep this country secure, to never forget the lessons of September the 11th, 2001, to find the enemy before they come again, to stay on the offensive, and to bring these killers to justice, which is what we're going to do.

But it hurt our economy when they attacked us, of course. Not only did it change foreign policy—in other words, we can't sit there and pick and choose what threat we deal with. Now that we have become vulnerable, we're going to have deal with the threats before they mature and come upon us. But it hurt our economy. It hurt us pretty bad.

And then we started to recover, and I just wanted to remember another thing we've overcome. Some of the corporate citizens of America forgot what it meant to be a responsible citizen. This guy's a responsible guy. See, some of them didn't tell the truth, though. We had some of our citizens not tell the truth. They forgot what it meant to be a leader, and it hurt the confidence of the people. You might remember that period of time. There were these scandals, and people

began to wonder whether or not there was honesty in the system. By the way, the way you deal with that, of course, is you find them and you put them into jail. Those who lie, cheat, and steal go to jail.

And then, as you know, I made the decision to deal with threats. As we saw, we put the doctrine out that said, "If you harbor a terrorist, you're just as guilty as the terrorists." And the Taliban, we took them down for the sake of our own security and for the sake of the long-suffering people of Afghanistan.

And then I obviously made the decision to go into Iraq—and by the way, a free and peaceful Iraq is in our Nation's interest; it's in our security interest—that affected the economy. When you turned on your TV, it said, "America is marching to war." That's not very conducive for—that's not a very positive statement. It doesn't build a lot of confidence—people, you know, marching to war, why would I want to invest in my home? Or why would I want to come to Home Depot if we're fixing to go to war?

So we've overcome a lot, when you think about it. Today the unemployment rate dropped, as you may know, from 6 percent to 5.9 percent. More workers are going to work. Over 380,000 have joined the workforce in the last couple of months. We've overcome a lot. We're a strong country, a strong economy. A lot of it has to do with the fact that we got the best workers in the world. Our productivity is high. I hope some of it has to do—I know some of it has to do with the fact that the role of Government can help create growth. See, when a person has more money in their pocket, they're likely to come to Home Depot.

Participant. Right.

The President. If they have less money in their pocket, they may not come here. And so I worked with the Congress—I want to thank Congressman Ehrlich, when he was in the Congress, now Governor Ehrlich. We cut taxes on people. It's your money to begin with, by the way. You've got more money to spend. And when you have more money to spend, it increases demand for a good or a service. And when that demand increases

for a good or a service, somebody has to produce it.

And so the tax relief went for everybody, not just the favorite few. Everybody got tax relief. And it helped the economy. It also helped small business. You're going to hear from some entrepreneurs here. And by the way, most new jobs in America are created by small businesses. We're happy to have the Home Depot job, don't get me wrong. [Laughter] But the truth is, most new jobs are started by the entrepreneurs. And so you're wondering why we've got small-business owners here, because I want you to hear from them. I want you to hear what it means to have a little more money in your pocket.

Most small businesses pay tax at the individual income tax level. See, these two small businesses do—you're Subchapter S's, which means when the taxes come out, you pay like you're an individual, your business does. Which means when you reduce individual taxes, really what you're doing is you're making a big difference for small businesses across America so that they can grow and hire new people. If small businesses create most new jobs, then it makes sense to reward small businesses for labor and risk by reducing their taxes, which we did.

And we did a couple of other smart things. If you're married, you ought not to be penalized in the Tax Code. It seems like the Tax Code ought to encourage people to be married, not discourage them from being married.

We know how hard it is to raise a child, and therefore, we increased the child credit to \$1,000 per child. That helps if you're a mom or a dad. And actually, this summer I remember going—I think it was to Philadelphia, where they were making the checks. I said, "The check is in the mail." After I said it, I felt a little nervous. [Laughter] Fortunately, it was in the mail. And so you got the difference between the child credit today and the new child credit of \$1,000 per child. That's important—that's important relief. That's part of the money going into your pocket.

We also provided incentives for small businesses to make investment. When small businesses invest in machinery or computer equipment, somebody has to build it, see.

And when somebody builds that machine, somebody is more likely to find work. And so, in other words, we passed a plan that makes sense.

Part of the things you'll hear me talk about is how to continue the growth. I mean, we're growing. This economy is good. It can be better, so more people find work. One of the ways to make sure this economy continues to grow is to make all the tax relief we passed permanent. See, it's about to—it's going to go away in phases. The child credit is going to go back down. The marriage penalty will go back up. Taxes will go back up unless we make this permanent. It doesn't make any sense to have a Tax Code that gyrates like that. You need stability in your Tax Code, particularly for the small-business owners and planners.

So one thing that I want you to take away from here is that if you're interested in job creation and job growth for the future, the tax relief we passed must become permanent.

I want to thank all the local officials who have come, by the way. I know the Lieutenant Governor is here. I want to thank the Members of the House and the Senate. It turns out when a President shows up, all kinds of people come. *[Laughter]* And I want to thank you for being here. It's an honor to be here. I look forward to maybe shaking a couple of hands on the way out and—yes. Pretty soon. Yes, pictures, we'll get a picture. Maybe buy a chainsaw. *[Laughter]*

Participant. We carry your brand. *[Laughter]*

The President. Why don't we start off—we've got a man here who is building homes. One of the interesting things about our policy is that when interest rates go low, it provides incentive for people to buy a home; you know, it pushes mortgages down. We want a lot of people owning homes. We've got a minority homeownership gap in America, by the way, we've got to close. See, we just don't want one segment of our population owning homes. We want everybody owning a home. We want everybody to feel comfortable.

I put a plan up to the Congress to do that, help with downpayments, to make sure the fine print in the contract becomes a little larger so everybody understands what they're

signing before they go in. It makes people a little nervous when you—particularly the first-time homebuyer, if you know what I mean. So we've got programs to help educate. We've got programs to simplify the process. We've got programs to help with the downpayment. Low interest rates help.

And our man here, Jim Montgomery, is an owner. He's an entrepreneur. By the way, he is at one of these companies, a Subchapter S, it's called, that pays taxes at the individual rate. So when we cut his taxes individually, we also cut taxes on his business, so he can more likely be able to hire somebody else. He wants to hire and expand. But Jim, welcome. Tell us about your business. Tell us what's on your mind. It's your chance to tell the Governor and Lieutenant Governor if you don't like things here in Maryland. *[Laughter]* If you don't like things at the Federal level, write your Congressman. *[Laughter]*

[The discussion continued.]

The President. Yes. Well, that is a tax cut. That was part of it. In other words, when you provide an incentive for somebody to buy equipment—that's what Jim is talking about—it means somebody has to make the equipment or somebody has got to sell the equipment, in your case. And I appreciate you bringing that up, because it's an integral part of the tax plan, to encourage investment. And investment means jobs. And that's what we're really talking about, jobs. See, I'm glad he's building homes. I'm glad people are owning homes, but I'm also glad there's an incentive for him to go out and buy additional equipment. Somebody has got to make that equipment. And when somebody makes that equipment, somebody is working, and that's what we're really talking about. We're talking about the human dignity that comes from people being able to find a job.

Thank you for being an entrepreneur.

James Montgomery. You're welcome.

The President. Yes, I appreciate your spirit. See, one of the great strengths of America is what we call the entrepreneurial spirit. It's a chance for—to create an environment so people like Jim feel comfortable about building their own business. And it's an exciting part of our economy and a vibrant

part, just like the Bell Nursery folks here. We've got an owner; we've got a regional manager. Tell us about your business, Gary.

[*The discussion continued.*]

The President. A couple of points she made. One of the things that's interesting, low interest rates allow people to refinance their homes. You all know better than a lot the effects of refinancing. I mean, people refinance, come in with a little cash, it gives them a chance to remodel.

Secondly, I do want to mention a couple of things that are important for small businesses. One, health care, it's important for large businesses, really important for small businesses. It's difficult for a small business to provide health care, because they don't have any purchasing power. What we need to do is allow small businesses to accumulate purchasing power. It's called associated health care plans. If you've got more people demanding, it means you can reduce the price. We need the associated health care plans.

Another thing that affects all business, by the way, but especially hurts small businesses, are excessive regulations. I mean, if you've got four employees, you don't want to be spending a lot of time filling out paperwork. The Governor, I know, is working hard to reduce excessive paperwork at the State level. We're doing so at the Federal level. Look, I readily concede we've got a lot more to do. There's a lot of paperwork, a lot of regulation.

Another thing that's a problem is lawsuits. They get to be a problem on these small-business owners and large-business owners. Medical liability reform is an issue we need. I'll tell you why. They're driving up the cost of your medicine, and it's making fewer doctors practice medicine. Medicine ought to be affordable and ought to be available. And these lawsuits—everybody ought to be able to sue, don't get me wrong. We just don't want the junk lawsuits and the frivolous lawsuits and the lawyers who are simply fishing for a rich settlement to be prevalent.

Anyway, I'm interested in hearing how this great company works. Obviously, I heard the enthusiasm—[laughter]—when I was coming

in. But John, why don't you start off, and then you can introduce your fellow workers.

[*The discussion continued.*]

The President. Let me ask you a question. So what's your feel? You're hearing from people when they're coming through, shopping, and——

John Ferraiuolo. I've got to tell you, our business in this store, this year, is about 18 percent better than last year. So where last year things were a little bit of a struggle—I think the enthusiasm and interest in people, the confidence level as people came in shopping wasn't quite there—people are now going from last year, I think, doing projects that were maybe necessities, I see people doing a little dreaming again and wanting to step themselves up and move forward and doing some wanting in their purchasing as opposed to just necessities.

The President. That's good, yes. John, by the way—he probably doesn't want me to tell you this, but I'm going to tell you anyway. He got \$1,200 of tax relief as a result of the tax reductions. Probably considered a fair amount of money, I would guess.

Mr. Ferraiuolo. That's an awfully great amount of money. What happened there, I think last year—a few months ago, when my wife came home, she found a check in the mail, and you know what——

The President. Thank goodness. [Laughter]

Mr. Ferraiuolo. I'm going to—basically, she said, "Sign here. I'll do it for you."

The President. That's right. Yes. [Laughter]

Mr. Ferraiuolo. And then she went shopping, and she took the chance to buy herself a few treats. And I think with the rest of it, one of the things I've been able to do is up my 401(k) contributions——

The President. That's good.

Mr. Ferraiuolo. ——as opposed to——so I keep a little bit more of that money for my future.

The President. That's wonderful.

Brandy, you're a manager, store manager. Tell us your history here, and——

[*The discussion continued.*]

The President. One of the things I like to talk about is the need for us to be a responsible society; people take responsibility for the decisions they make in life; people take responsibility—people seize opportunity. The thing I like about Jessica's story is she's willing to seize an opportunity. If you notice, she came looking, she worked hard to find a position, and now she's found a company that is doing its responsibility—in other words, helping people realize their dreams. And that's a very important part of corporate America. It's one of the reasons I like Bob, is he understands that, see.

One of the things that this company does is it provides volunteer time and encourages people to help—love your neighbor like you'd like to be loved yourself. One of the things about America is—look, we've just gone through an interesting story, that says to me that things look pretty good for the economy, and we've been through a lot. In other words, it's a fabulous country, because we'll handle every challenge put in front of us, every challenge, because we've got wonderful people.

The strength of this country, though, is not our military, although we'll keep it strong. It's strong. It needs to stay strong and will. It's not a—thank you, sir. And by the way, thanks for supporting the military. And if you've got a loved one over there, you tell them the Commander in Chief is incredibly proud, proud of what they're doing.

Participant. They're right out there.

The President. Where?

Participant. This young man right here.

The President. Thank you for your service. I appreciate you, thanks.

Participant. He just came home.

The President. Yes. That's great. It's not—strength is not our military. It's not our wallet. It's the heart and soul of the American people. That's the strength. And the fact that this company is willing to say, you know, "Follow your heart and go help somebody who hurts," is an important part of keeping this country strong. It really is. The fact that people are willing to hear the universal call to love a neighbor like you'd like to be loved yourself is really an important part of this Nation. And it's a vital part of the Nation. So for those of you who are dreaming big

dreams and working for them, like Jessica is, thanks for doing that—like our business owners—I appreciate that. It's important that you dream big dreams and work hard.

For those of you who are helping people realize their dreams, I thank you as well. It's just an incredibly vital part of a bright future for our country. There's nothing America can't achieve—nothing we can't achieve. You know why? Because this country is full of fabulous people. It's my honor to be with a lot of them here today.

Thank you for coming. God bless. Thank you for your time.

NOTE: The President spoke at 1:20 p.m. at the Lansdowne Home Depot. In his remarks, he referred to Gov. Robert L. Ehrlich, Jr., and Lt. Gov. Michael Steele of Maryland; James Montgomery, owner, James S. Montgomery & Sons; Gary Mangum, co-owner, and Alison Anderson, regional manager, Bell Nursery; John Ferraiuolo, store manager, and Jessica Adamson, paint associate, Lansdowne Home Depot; Brandy Foble, store manager, Ellicott City Home Depot; and Robert Nardelli, chairman, president, and chief executive officer, The Home Depot, Inc.

Statement Announcing the Appointment of James A. Baker III as the President's Personal Envoy on Iraqi Debt Resolution

December 5, 2003

Iraq is moving toward freedom, stability, and prosperity. In order to support this effort, I am pleased to announce today that in response to a request from the Iraqi Governing Council for assistance, I have appointed James A. Baker III to be my personal envoy on the issue of Iraqi debt. Secretary Baker will report directly to me and will lead an effort to work with the world's Governments at the highest levels with international organizations and with the Iraqis in seeking the restructuring and reduction of Iraq's official debt. The future of the Iraqi people should not be mortgaged to the enormous burden of debt incurred to enrich Saddam Hussein's regime. This debt endangers Iraq's long-term prospects for political health and economic prosperity. The issue of Iraq debt must be resolved in a manner that is fair and